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04/25/06

DECLARATION FOR CYPRESS GROVE

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DECLARATION FOR CYPRESS GROVE

This Declaration is made by Kildeer Two LLC, an Illinois limited liability company ("Declarant").

RECITALS

Declarant is the record title holder of a portion of the Development Area which is legally described in Exhibit A hereto. Some or all of the Development Area shall be the subject of a phased development called "Cypress Grove" (the "Development"). The Development shall include dwelling units and certain common areas.

Initially, the Declarant shall subject the real estate which is legally described in Exhibit B hereto to the provisions of this Declaration as the Premises. From time to time the Declarant may subject additional portions of the Development Area to the provisions of this Declaration as Added Premises, as more fully described in Article Twelve. Nothing in this Declaration shall be construed to require the Declarant to subject additional portions of the Development Area to the provisions of this Declaration. Those portions of the Development Area which are not made subject to the provisions of this Declaration as Premises may be used for any purposes not prohibited by law.

Certain portions of the Premises are designated as Lots and other portions are designated as Common Area. The Declarant has formed (or will form) the Association under the Illinois General Not-For-Profit Corporation Act. The Association shall have the responsibility for administering and maintaining the Common Area and shall set budgets and fix assessments to pay the expenses incurred in connection with such responsibility. It is not intended that the Association shall be a "common interest community association" as defined in Section 9-102(a)(8) of the Code of Civil Procedure (735 ILCS 5/9-102(a)(8)). Each Owner of a Lot shall be a member of the Association and shall be responsible for paying assessments with respect to the Lot owned by such Owner.

If all of the Common Area is dedicated or conveyed to governmental agencies, then the Association may be dissolved as provided in Section 5.08 hereof.

During the construction and marketing of the Development, the Declarant shall retain certain rights set forth in this Declaration, which rights shall include, without limitation, the right, prior to the Turnover Date, to appoint all members of the Board, as more fully described in Article Nine, the right to come upon the Premises in connection with Declarant's efforts to sell Lots and other rights reserved in Article Nine.

NOW, THEREFORE, the Declarant hereby declares as follows:

ARTICLE ONE
Definitions

For the purpose of brevity and clarity, certain words and terms used in this Declaration are defined as follows:

1.01 ASSOCIATION: The Cypress Grove Homeowners Association, an Illinois not-for-profit corporation, its successors and assigns. The Association shall be formed in perpetuity.

1.02 BOARD: The board of directors of the Association, as constituted at any time or from time to time, in accordance with the applicable provisions of Article Five.

1.03 BY-LAWS: The By-Laws of the Association.

1.04 CHARGES: The Common Assessment, any special assessment levied by the Association and/or any other charges or payments which an Owner is required to pay or for which an Owner is liable under this Declaration or the By-Laws.

1.05 COMMON AREA: Those portions of the Premises which are described and designated as "Common Area" in Exhibit B hereto, together with all improvements located above and below the ground and rights appurtenant thereto, including, without limitation, monument signage. The Common Area shall generally include open space, landscaped areas and Stormwater Management Facilities which shall be used and maintained as open space and which may not be separately subdivided or developed for any purpose other than open space. The Common Area shall not include any Lot (as defined below).

1.06 COMMON ASSESSMENT: The amounts which the Association shall assess and collect from the Owners to pay the Common Expenses and accumulate reserves for such expenses, as more fully described in Article Six.

1.07 COMMON EXPENSES: The expenses of administration (including management and professional services), operation, maintenance, repair, replacement and landscaping and improvements located on the Common Area, as more fully provided in Section 3.02; the cost of insurance for the Common Area; the cost of general and special real estate taxes and assessments levied or assessed against the Common Area owned by the Association; premiums for insurance policies maintained by the Association hereunder; the cost of, and the expenses incurred for, the maintenance, repair and replacement of personal property acquired and used by the Association in connection with the maintenance of the Common Area; and any other expenses lawfully incurred by the Association for the common benefit of all of the Owners. Notwithstanding the foregoing, Common Expenses shall not include any payments made out of Capital Reserves.

1.08 COUNTY: Lake County, Illinois or any political entity which may from time to time be empowered to perform the functions or exercise the powers vested in the County as of the Recording of this Declaration.

1.09 CYPRESS GROVE SUBDIVISION: That certain Plat of Subdivision of Cypress Grove, recorded in Lake County, Illinois on 1/9/07, as Document No. 6117957.

1.10 DECLARANT: The Ryland Group, Inc., a Maryland corporation, its successors and assigns.

1.11 DECLARATION: This instrument with all Exhibits hereto, as amended or supplemented from time to time.

1.12 DEVELOPMENT AREA: The real estate described in Exhibit A hereto with all improvements thereon and rights appurtenant thereto. Exhibit A is attached hereto for informational purposes only and no covenants, conditions, restrictions, easements, liens or changes shall attach to any part of the real estate described therein, except to the extent that portions thereof are described in Exhibit B and expressly made subject to the provisions of this Declaration as part of the Premises. Any portions of the Development Area which are not made subject to the provisions of this Declaration as part of the Premises may be developed and used for any purposes not prohibited by law, including, without limitation, as a residential development which is administered separate from the Development.

1.13 DRAINAGE EASEMENT: Portions of the Premises which are designated as "Drainage Easement" on a Plat.

1.14 HOME That portion of a Lot which is improved with a single family home.

1.15 LANDSCAPE TRANSITION YARD: Portions of the Premises which are designated as "Landscape Transition Yard" on a Plat.

1.16 LOT: Each subdivided lot designated in Exhibit B hereto as a "Lot", together with all improvements thereon and thereto.

1.17 MAINTENANCE PLAN: The Maintenance Plan attached hereto as Exhibit C.

1.18 MANAGEMENT PLAN: The Management Plan attached hereto as Exhibit D.

1.19 MORTGAGEE: The holder of a bona fide first mortgage, first trust deed or equivalent security interest covering a Lot.

1.20 OWNER: A Record owner, whether one or more persons, of fee simple title to a Lot, including contract seller, but excluding those having such interest merely as security for the performance of an obligation. The Declarant shall be deemed to be an Owner with respect to each Lot owned by the Declarant.

1.21 PERSON: A natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real property.

1.22 PLAT: A Plat of Subdivision, recorded in the office of the Recorder of Deeds of Lake County, Illinois, with respect to a portion of the Premises

1.23 PREMISES: The real estate which is legally described in Exhibit B hereto, as amended or supplemented from time to time, with all improvements thereon and rights appurtenant thereto.

1.24 RECORD: To record in the office of the Recorder of Deeds for the County.

1.25 RESIDENT: An individual who resides in a Home.

1.26 STORMWATER MANAGEMENT FACILITIES: Those portions of the Common Area which are necessary for the management of stormwater.

1.27 SUBDIVISION RECREATION LAND: Those portions of the Common Area which are designated on Exhibit B from time to time as "Subdivision Recreation Land"

1.28 TURNOVER DATE: The date on which the rights of the Declarant to designate the members of the Board are terminated under Section 9.05.

1.29 UDO: The Unified Development Ordinance of Lake County, Illinois, as supplemented and amended from time to time.

1.30 VOTING MEMBER: The individual who shall be entitled to vote in person or by proxy at meetings of the Owners, as more fully set forth in Article Five.

ARTICLE TWO
Scope of Declaration

2.01 PROPERTY SUBJECT TO DECLARATION: Declarant, as the owner of fee simple title to the Premises, expressly intends to and by Recording this Declaration, does hereby subject the Premises to the provisions of this Declaration. Declarant reserves the right to add additional real estate to the terms of this Declaration as more fully provided in Article Twelve.

2.02 CONVEYANCES SUBJECT TO DECLARATION: All easements, restrictions, conditions, covenants, reservations, liens, charges, rights, benefits, and privileges which are granted, created, reserved or declared by this Declaration shall be deemed to be covenants appurtenant, running with the land and shall at all times inure to the benefit of and be binding on the Association, the County and any Person having at any time any interest or estate in the premises, and their respective heirs, successors, personal representatives or assigns, regardless of whether the deed or other instrument which creates or conveys the interest makes reference to this Declaration.

2.03 DURATION: Except as otherwise specifically provided herein the covenants, conditions, restrictions, easements, reservations, liens, and charges, which are granted, created, reserved or declared by this Declaration shall be appurtenant to and shall run with and bind the land in perpetuity.

2.04 LOT CONVEYANCE: Once a Lot has been conveyed by the Declarant to a bona fide purchaser for value, then any subsequent conveyance or transfer of ownership of the Lot shall be of the entire Lot and there shall be no conveyance or transfer of a portion of the Lot without the prior written consent of the Board.

2.05 ACCESS EASEMENT: Each Owner of a Lot shall have a non-exclusive perpetual easement for ingress to and egress from his Lot to public ways over and across the roads, driveways and walkways located on the Common Area, which easement shall run with the land, be appurtenant to and pass with title to every Lot. The County or any other governmental authority which has jurisdiction over the Premises shall have a non-exclusive easement of access over roads, driveways and walkways located on the Common Area for police, fire, ambulance, waste removal, or for the purpose of furnishing municipal or emergency services to the Premises. The Association, its employees, agents and contracts, shall have the right of ingress to, egress from, and parking on the Common Area, and the right to store equipment on the Common Area, for the purpose of furnishing any maintenance, repairs or replacements to portions of the Premises provided for herein.

2.06 RIGHT OF ENJOYMENT: Each Owner shall have the non-exclusive right and easement to use and enjoy the Common Area and the Subdivision Recreation Land and the exclusive right to use and enjoy the Owner's Lot. Such rights and easements shall run with the land, be appurtenant to and pass with title to every Lot, and shall be subject to and governed by the provisions of this Declaration, the By-Laws, and the reasonable rules and regulations from time to time adopted by the Association.

2.07 DELEGATION OF USE: Subject to the provisions of this Declaration, the By-Laws, and the reasonable rules and regulations from time to time adopted by the Association, any Owner may delegate his right to use and enjoy the Common Area and the Owner's Lot to Residents of his Lot. An Owner shall delegate such rights to tenants and contract purchasers of the Lot who are Residents.

2.08 RULES AND REGULATIONS: The use and enjoyment of the Common Area and the Subdivision Recreation Land shall at all times be subject to reasonable rules and regulations duly adopted by the Board from time to time.

2.09 UTILITY EASEMENTS: The County and all public and private utilities (including cable companies) serving the Premises are hereby granted the right to lay, construct, renew, operate, and maintain conduits, cables, pipes, wires, transformers, switching apparatus and other equipment, into and through the Common Area for the purpose of providing utility services to the Premises or any other portion of the Development Area. Without limiting the foregoing, the Association and the County shall have a non-exclusive, perpetual easement over and across the Drainage Easements located on portions of the Premises for the purpose of maintaining drainage systems which serve the Premises, all as more fully provided on a Plat.

2.10 EASEMENTS, LEASES, LICENSES AND CONCESSIONS: The Association shall have the right and authority from time to time to lease or grant easements, licenses, or concessions with regard to any portions or all of the Common Area and or Subdivision Recreation Land for such uses and purposes as the Board deems to be in the best interests of the Owners and which are not prohibited hereunder, including, without limitation, the right to grant easements for utilities or any other purpose which the Board deems to be in the best interests of the Owners. Any and all proceeds from leases, easements, licenses or concessions with respect to the Common Area or Subdivision Recreation Land shall be used to pay the Common Expenses. Also, the Association shall have the right and power to dedicate any part or all of the roads or parking areas located on the

Common Area to the County, but only with the County's approval. Each person, by acceptance of a deed, mortgage, trust deed, other evidence of obligation, or other instrument relating to a Home, shall be deemed to grant a power coupled with an interest to the Board, as attorney-in-fact, to grant, cancel, alter or otherwise change the easements provided for in this Section. Any instrument executed pursuant to the power granted herein shall be executed by the President and attested to by the Secretary of the Association and duly Recorded.

2.11 ASSOCIATION'S ACCESS: The Association shall have the right and power to come onto any Lot for the purpose of furnishing the services required to be furnished hereunder, including, without limitation, maintenance, repair and replacement of the Landscape Buffer and fencing installed by Declarant on Lots, or enforcing its rights and powers hereunder.

2.12 NO DEDICATION TO PUBLIC USE: Except for easements granted or dedications made as permitted in Section 2.10, nothing contained in this Declaration shall be construed or be deemed to constitute a dedication, express or implied, of any part of the Common Area or Subdivision Recreation Land to or for any public use or purpose whatsoever.

2.13 OWNERSHIP: The Common Area shall be conveyed to the Association by Declarant free and clear of any mortgage or trust deed whatsoever on or before the Turnover Date; provided, that, if any Common Area is made subject to this Declaration after the Turnover Date, such Common Area shall be conveyed to the Association free and clear of any mortgage or trust deed whatsoever simultaneously with such Common Area being made subject to this Declaration.

2.14 REAL ESTATE TAXES FOR COMMON AREA: If a tax bill is issued with respect to Common Area which is made subject to this Declaration in the middle of a tax year (regardless of when it is conveyed to the Association), then the tax bill shall be prorated so that the Declarant shall be responsible for the payment of that portion of the tax bill from January 1st of the tax year to the date that such Common Area is made subject to this Declaration, and the Association shall be responsible for the balance of the tax bill.

2.15 EASEMENT TO THE COUNTY: The duly designated officials and employees of the County are hereby granted an easement to enter upon, on or over areas of on-site Stormwater Management Facilities and for the purpose of inspecting such areas to determine whether the improvements and systems which constitute the Stormwater Management Facilities have been and are being properly maintained in conformity with this Declaration and all applicable ordinances and regulations of the County. If it is determined that the Stormwater Management Facilities are not in conformity with applicable restrictions, ordinances and regulations, the County shall give the Association written notice of such determination. The County shall be empowered to compel correction of a problem concerning maintenance after providing notice to the Association, although notice shall not be required in the event that the County determines that the failure of maintenance constitutes an immediate threat to public health, safety and welfare. If the Association fails to perform the necessary maintenance within a reasonable time after receiving notice thereof from the County, the County shall have the right to perform or cause to be performed such maintenance or other operations necessary to preserve the drainage structures and characteristics of the Stormwater Management Facilities. If the County performs such services, it shall be entitled to reimbursement by the Association for any reasonable costs incurred to do so. The easement described herein is an

easement appurtenant, running with the land; it shall at all times be binding upon the Association, all of its grantees and their respective heirs, successors, personal representatives and assigns, perpetually and in full force. No amendment to the Declaration applicable which affects the Stormwater Management Facilities and the maintenance thereof shall become effective unless consented to in writing by the County.

ARTICLE THREE
The Common Area

3.01 IN GENERAL: The restrictions and limitations contained in this Article shall be subject to the rights of the Declarant set forth in Article Nine.

3.02 MAINTENANCE, REPAIR AND REPLACEMENT BY ASSOCIATION:

(a) Maintenance, repairs and replacements of the Common Area shall be furnished by the Association, in perpetuity, as part of the Common Expenses, and shall include, without limitation, the following:

(i) added planting, replanting, care and maintenance of trees, shrubs, flowers, grass and all other landscaping on the Common Area;

(ii) maintenance, repair and replacement of Stormwater Management Facilities on the Common Area in accordance with Section II of the Maintenance Plan.

(iii) maintenance, repair and replacement of the improvements located on the Common Area, including, without limitation, the pedestrian path and related signage installed between Lots 10 and 11, and monument signs, if any;

(iv) maintenance (including snow removal), repair and replacement of the private roads located on the Common Area, if any;

(v) maintenance of wetlands located on the Common Area, which maintenance shall be in accordance with the Management Plan and shall follow guidelines, if any, from time to time issued by any governmental authority which has jurisdiction over maintenance of the wetlands;

(vi) maintenance of outlots, scenic corridors, conservancy, easement areas and Landscape Transition Yards located on the Common Area, however designated; and

(vii) maintenance of open space areas located on the Common Area in accordance with the provisions of Section 4.3.4 of the UDO; which provisions are set forth in Section III of the Maintenance Plan.

(b) Each Owner shall pay an equal share of the cost of furnishing the maintenance, repairs and replacements provided herein, as more fully provided in Section 6.02.

(c) All maintenance, repair and replacement work required pursuant to this Declaration shall be promptly completed in a good and workmanlike manner consistent with any applicable governmental regulations or standards, or, if no such regulations or standards apply, then consistent with good engineering, forestry, or other similar professional standards so as to ensure the safe and effective condition of the portion of the Development subject to maintenance, repair or replacement.

(d) All Stormwater Management Facilities and other Common Areas shall be used only for the purposes intended by the UDO and shall not be used or developed for or with any other use which would limit or cause to limit their use and function.

(e) Anything herein to the contrary notwithstanding, Declarant shall be primarily responsible for maintenance of the Common Area, including, without limitation, the Stormwater Management Facilities, until such time as eighty percent (80%) of the Lots in the Premises have been sold and conveyed to bona fide purchasers for value and all maintenance and guarantee bonds have been released by the County. However, the cost of such maintenance shall be paid by the Association as part of the Common Expenses.

(f) The Association shall maintain the grass, shrubs, trees, and flowers, if any, installed by the Declarant on the Common Area ("Initial Plantings") in accordance with generally accepted landscape maintenance standards, including mowing, trimming, fertilization, pruning, re-mulching, applications of insect and disease control, as needed, and any other maintenance which will promote the health of the Initial Plantings. If the Association fails to maintain the Initial Plantings in accordance with generally acceptable landscape maintenance standards and Initial Plantings die or decline as a result of this failure, then, the Association shall be responsible for the replacement of the declining or dead Initial Plantings, including, but not limited to replacements required by the County in connection with the County's acceptance of the Initial Plantings. All expenses incurred under this subsection shall be Common Expenses.

3.03 MAINTENANCE, REPAIR AND REPLACEMENT OF LOTS AND HOMES:

(a) Except as otherwise specifically provided in this Declaration, each Owner shall be responsible for the maintenance, repair and replacement of the Owner's Lot and Home, and shall at all times keep the Lot and Home in good condition and repair and free of debris. The maintenance responsibilities hereunder shall be subject to reasonable rules and regulations adopted from time to time by the Board.

(b) Each Owner shall also be responsible for the cutting of grass located on dedicated parkways adjacent to the Owner's Lot.

(c) Each Owner of a Lot which includes a Landscape Transition Yard shall be responsible for the maintenance, repair and replacement of landscaping on the Landscape Transition Yard in accordance with the plans approved by the County.

(d) If in the sole judgment of the Board an Owner has failed to maintain the Owner's Lot and Home, in good condition and repair or the appearance of portions of the Owner's Lot is not of the character and quality of that of other Lots and Homes in the Development, or in compliance

with the terms hereof or rules and regulations adopted by the Board from time to time, or has failed to keep the Lot free of debris, then, without limiting any rights or remedies available to the Board hereunder or at law, the Board shall have the right to enter upon the Lot and perform any maintenance or repair work which it deems necessary or appropriate and the cost thereof shall be a Charge hereunder and shall be payable by the Owner of the Lot to the Association upon demand. In the event that the Owner fails to make prompt payment of the Charge upon demand, the Charge shall be a continuing lien upon the Owner's Lot until such time as payment is made in full.

3.04 CERTAIN UTILITY COSTS: Certain utility costs incurred in connection with the use, operation and maintenance of the Common Area may not be separately metered and billed to the Association. If the cost for any such utility is metered and charged to individual Homes rather than being separately metered and charged to the Association, then the following shall apply:

(a) If in the opinion of the Board, each Owner is sharing in a fair and equitable manner the cost for such service, then no adjustment shall be made and each Owner shall pay his own bill; or

(b) If in the opinion of the Board, the Owner of a Home is being charged disproportionately for costs allocable to the Common Area, then the Association shall pay, or reimburse such Owner, an amount equal to the portion of the costs which in the reasonable determination of the Board is properly allocable to the Common Area and the amount thereof shall be a Common Expense.

Any determinations or allocations made hereunder by the Board shall be final and binding on all parties.

3.05 DAMAGE BY RESIDENT: If, due to the act or omission of a Resident of a Home, or of a household pet or guest or other authorized occupant or invitee of the Owner of a Lot, damage shall be caused to the Common Area and maintenance, repairs or replacements shall be required thereby, which would otherwise be a Common Expense, then the Owner of the Lot shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Board, to the extent not covered by insurance carried by the Association.

3.06 ALTERATIONS, ADDITIONS OR IMPROVEMENTS TO THE COMMON AREA: No alterations, additions or improvements shall be made to the Common Area without the prior approval of the Board. The Association may cause alterations, additions or improvements to be made to the Common Area, and the cost thereof may be paid from a special assessment, as more fully described in Section 6.05; except, that, any such alteration, addition or improvement which shall cost more than four (4) months assessments then in effect under the then current budget shall be approved in advance at a special meeting of the Owners. If the Association shall alter, in any way, landscaping which was installed by the Declarant on the Common Area in accordance with plans approved by the County, and if the County requires that the altered area be returned to its original state, then the Association shall be responsible for restoring the altered area in accordance with the plans approved by the County and the cost thereof shall be a Common Expense. Without limiting the foregoing, no alteration, addition or improvement shall be made to any portion of the Common Area which is designated on a Plat as a Drainage Easement.

3.07 ALTERATIONS, ADDITIONS OR IMPROVEMENTS TO LOTS: No alteration, addition or improvement shall be made to any portion of a Lot which is designated on a Plat as a Drainage Easement. In addition, no additions, alterations or improvements, including, without limitation, (i) fences, (ii) changes in the exterior color of a Home, (iii) construction of awnings, antenna or satellite dish, (iv) changes or additions to patio or deck, (v) installation of an in ground swimming pool, outbuilding, playset, gazebo or shed, or (vi) other similar improvements, shall be made to any Lot or any part of the Home which is visible from outside the Home by an Owner without the prior written consent of the Board and, until the Declarant no longer owns or controls title to any portion of the Development Area, the Declarant, and compliance with applicable ordinances of the County. Notwithstanding the foregoing, there shall be no above ground swimming pools or dog runs permitted on the Premises. The Board and/or Declarant may (but shall not be required to) condition its consent to the making of an addition, alteration or improvement to a Home or Lot which requires the consent of the Board and/or Declarant upon the Owner's agreement either to be solely responsible for the maintenance of such addition, alteration or improvement, subject to such standards as the Board and/or Declarant may from time to time set. If an addition, alteration or improvement which requires the consent of the Board and/or Declarant hereunder is made to a Lot by an Owner without the prior written consent of the Board or Declarant, or both, as applicable, then (i) the Board may, in its discretion, take any of the following actions; and (ii) until such time as the Declarant no longer owns or controls title to any portion of the Development Area, the Declarant may, in its discretion take any of the following actions:

(a) Require the Owner to remove the addition, alteration or improvement and restore the Lot to its original condition, all at the Owner's expense; or

(b) If the Owner refuses or fails to properly perform the work required under (a), cause such work to be done and charge the Owner for the cost thereof as determined by the Board or the Declarant, as applicable; or

(c) Ratify the action taken by the Owner, and the Board may (but shall not be required to) condition such ratification upon the same conditions which it may impose upon the giving of its prior consent under this Section.

ARTICLE FOUR
Insurance/Condemnation

4.01 COMMON AREA INSURANCE:

(a) The Association shall have the authority to and shall obtain fire and all risk coverage insurance covering the improvements, if any, to the Common Area and other improvements required to be maintained by the Association (based on current replacement cost for the full insurable replacement value) of such improvements.

(b) The Association shall have the authority to and shall obtain comprehensive public liability insurance, including liability for injuries to and death of persons, and property damage, in such limits as it shall deem desirable, and workers compensation insurance and other liability

insurance as it may deem desirable, insuring each Owner, the Association, its directors and officers, the Declarant, the managing agent, if any, and their respective employees and agents, as their interests may appear, from liability resulting from an occurrence on or in connection with, the Common Area. The Board may, in its discretion, obtain any other insurance which it deems advisable including, without limitation, insurance covering the directors and officers from liability for good faith actions beyond the scope of their respective authorities and covering the indemnity set forth in Section 5.06. Such insurance coverage shall include cross liability claims of one or more insured parties.

(c) Fidelity bonds indemnifying the Association, the Board and the Owners for loss of funds resulting from fraudulent or dishonest acts of any employee of the Association or of any other person handling funds of the Association may be obtained by the Association in such amounts as the Board may deem desirable.

(d) The premiums for any insurance obtained under this Section shall be Common Expenses.

4.02 CONDEMNATION: In the case of a taking or condemnation by competent authority of any part of the Common Area, the proceeds awarded in such condemnation shall be paid to the Association and such proceeds, together with any Common Area Capital Reserve being held for such part of the Common Area, shall, in the discretion of the Board, either (i) be applied to pay the Common Expenses, (ii) be distributed to the Owners and their respective mortgagees, as their interests may appear, in equal shares, or (iii) be used to acquire additional real estate to be used and maintained for the mutual benefit of all Owners, as Common Area under this Declaration. Any acquisition by the Association pursuant to this Section of real estate which shall become Common Area hereunder shall not become effective unless and until a supplement to this Declaration, which refers to this Section and legally describes the real estate affected, is executed by the President of the Association and Recorded.

ARTICLE FIVE
The Association

5.01 IN GENERAL: Declarant has caused or shall cause the Association to be incorporated as a not-for-profit corporation under Illinois law. The Association shall be the governing body for all of the Owners for the administration and operation of the Common Area. The Association shall be responsible for the maintenance, repair and replacement of the Common Area.

5.02 MEMBERSHIP Each Owner shall be a member of the Association. There shall be one membership per Lot. Membership shall be appurtenant to and may not be separated from ownership of a Lot. Ownership of a Lot shall be the sole qualification for membership. The Association shall be given written notice of the change of ownership of a Lot within ten (10) days after such change.

5.03 VOTING MEMBERS: Subject to the provisions of Section 9.05, voting rights of the members of the Association shall be vested exclusively in the Voting Members. One individual shall be designated as the "Voting Member" for each Lot. The Voting Member or his proxy shall be

the individual who shall be entitled to vote at meetings of the Owners. If the Record ownership of a Lot shall be in more than one person, or if an Owner is a trustee, corporation, partnership or other legal entity, then the Voting Member for the Lot shall be designated by such Owner or Owners in writing to the Board and if in the case of multiple individual Owners no designation is given, then the Board at its election may recognize an individual Owner of the Lot as the Voting Member for such Lot.

5.04 BOARD: Subject to the rights retained by the Declarant under Section 9.05, the Board shall consist of that number of members provided for in the By-Laws, each of whom shall be an Owner or Voting Member.

5.05 VOTING RIGHTS: Prior to the Turnover Date, all of the voting rights at each meeting of the Association shall be vested exclusively in the Declarant and the Owners shall have no voting rights. From and after the Turnover Date, all of the voting rights at any meeting of the Association shall be vested in the Voting Members and each Voting Member shall have one vote for each Lot which the Voting Member represents. From and after the Turnover Date any action may be taken by the Voting Members at any meeting at which a quorum is present (as provided in the By-Laws) upon an affirmative vote of a majority by the Voting Members present at such meeting, except as otherwise provided herein or in the By-Laws.

5.06 DIRECTOR AND OFFICER LIABILITY: Neither the directors nor the officers of the Association shall be personally liable to the Association or the Owners for any mistake of judgment or for any other acts or omissions of any nature whatsoever as such directors and officers except for any acts or omissions found by a court to constitute criminal conduct, gross negligence or fraud. The Association shall indemnify and hold harmless the Declarant, Declarant and each of the directors and officers, his heirs, executors or administrators, against all contractual and other liabilities to the Association, the Owners or others arising out of contracts made by or other acts of the directors and officers on behalf of the Owners or the Association or arising out of their status as directors or officers unless any such contract or act shall have been made criminally, fraudulently or with gross negligence. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, counsel fees, amounts of judgments paid and amounts paid in settlement) actually and reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative, or other in which any such director may be involved by virtue of such person being or having been such director or officer; provided, however, that such indemnity shall not be operative with respect to (i) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for criminal conduct, gross negligence or fraud in the performance of his duties as such director or officer, or (ii) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such person being adjudged liable for criminal conduct, gross negligence or fraud in the performance of his duties as such director or officer.

5.07 MANAGING AGENT: The Declarant (or an entity controlled by the Declarant) may be engaged by the Association to act as the managing agent for the Association and as managing agent shall be paid a reasonable fee for its services as fixed by a written agreement between the Association and the Declarant (or an entity controlled by the Declarant). Any management

agreement entered into by the Association prior to the Turnover Date shall have a term of not more than two years and shall be terminable by the Association without payment of a termination fee on 90 days written notice.

5.08 DISSOLUTION. Although it is currently anticipated that the Association will own and maintain the Common Area, it is possible that a governmental agency may accept a dedication or conveyance of all of the Common Area and accept responsibility for maintenance of the Common Area. If that occurs and the Association has no maintenance responsibilities, then at the option of the Declarant (which may be exercised at any time prior to the Turnover Date) or at the option of the members of the Association (which may be exercised by action of the members after the Turnover Date), the Association shall be dissolved and liquidated and thereafter the provisions of this Declaration which deal with the powers and duties of the Association shall be null and void and of no further force and effect. Any distribution of assets of the Association shall be made to the Owners of Lots in equal amounts for each Lot owned.

5.09 LITIGATION: No judicial or administrative proceedings shall be commenced or prosecuted by the Association without first holding a special meeting of the members and obtaining the affirmative vote of Voting Members representing at least seventy-five percent (75%) of the Lots to the commencement and prosecution of the proposed action. This Section shall not apply to (a) actions brought by the Association to enforce the provisions of this Declaration, the By-Laws or rules and regulations adopted by the Board (including, without limitation, an action to recover Charges or to foreclose a lien for unpaid Charges) or (b) counterclaims brought by the Association in proceedings instituted against it.

5.10 ATTENDANCE AT BOARD MEETINGS BY OWNERS: Owners may attend meetings of the Board only if, and to the extent, permitted by the Board in its discretion. It is not the intention that Owners shall have the right to attend meetings of the Board in the same manner as provided for members of condominium associations under the Illinois Condominium Property Act.

ARTICLE SIX
Assessments

6.01 PURPOSE OF ASSESSMENTS: The assessments levied by the Association shall be limited to the purposes of maintaining the Common Area, administering the affairs of the Association, paying the Common Expenses, and accumulating reserves for any such expenses.

6.02 COMMON ASSESSMENT: Each year on or before December 1, the Board shall adopt and furnish each Owner with a budget for the ensuing calendar year, which shall show the following with reasonable explanations and itemizations:

(a) The estimated Common Expenses;

(b) The estimated amount, if any, to maintain adequate reserves for Common Expenses including, without limitation, amounts to maintain the Capital Reserve;

(c) The estimated net available cash receipts from the operation and use of the Common Area, plus estimated excess funds, if any, from the current year's assessments;

(d) The amount of the "Common Assessment" payable by the Owners, which is hereby defined as the amount determined in (a) above, plus the amount determined in (b) above, minus the amount determined in (c) above;

(e) That portion of the Common Assessment which shall be payable with respect to the ensuing calendar year by the Owner of each Lot which is subject to assessment hereunder, which shall be equal to the Common Assessment, divided by the number of Lots, so that each Owner shall pay equal Common Assessments for each Lot owned. The Common Assessment shall be paid in periodic installments as determined by the Board from time to time, but no less frequently than once each calendar year.

Anything herein to the contrary notwithstanding the provisions of this paragraph shall apply with respect to the period prior to the Turnover Date. Any budget prepared by the Board prior to the Turnover Date shall be based on the assumptions that (i) the Development has been fully constructed as shown on Declarant's then current plan for the Development ("Current Development Plan") and (ii) all proposed Homes have been sold and are occupied. The Current Development Plan shall be kept on file with the Association and may be modified from time to time by Declarant. Prior to the Turnover Date, each Owner (other than the Declarant) shall pay as the Owner's monthly share of the Common Assessment an amount equal to the budgeted Common Expenses divided by the number of proposed Homes on the then Current Development Plan, divided by twelve (12) so that each Owner (other than Declarant) will pay, with respect to each Lot owned, a monthly Common Assessment equal to what such Owner would be paying with respect to the Owner's Lot if the Development were fully constructed pursuant to the Current Development Plan and all proposed Homes have been built and are occupied. Declarant shall not be obligated to pay any Common Assessments to the Association prior to the Turnover Date. However, if with respect to the period commencing on the date of the Recording of this Declaration and ending on the Turnover Date, the amount of Common Assessments and working capital contributions under Section 6.07 payable by Owners (other than Declarant) less the portions thereof which are to be added to Reserves is less than the Common Expenses actually incurred with respect to such period, then the Declarant shall pay the difference to the Association. From time to time prior to the Turnover Date, the Declarant may (but shall not be obligated to) advance to the Association funds to be used by the Association to pay its expenses ("Advanced Funds"). A final accounting and settlement of the amount, if any, owed by Declarant to the Association shall be made as soon as practicable after the Turnover Date. If, and to the extent that, the final accounting determines that the Advanced Funds, if any, are less than the amount owed by the Declarant to the Association pursuant to this Section, the Declarant shall pay the difference to the Association. If, and to the extent that, the final accounting determines that the Advanced Funds, if any, exceed the amount owed by the Declarant to the Association pursuant to this Section, then the Association shall pay such excess to the Declarant.

6.03 PAYMENT OF COMMON ASSESSMENT: On or before the 1st day of January of the ensuing calendar year, and on the first day of each month thereafter until the effective date of the next annual or revised Common Assessment, each Owner of a Lot which is subject to assessment shall pay to the Association, or as the Board may direct, that portion of the Common

Assessment which is payable by each Owner of a Lot under Section 6.02(e). For purposes hereof, a Lot shall only be subject to assessment hereunder from and after such time as an occupancy certificate has been issued with respect to the Home constructed thereon.

6.04 REVISED ASSESSMENT: If the Common Assessment proves inadequate for any reason (including nonpayment of any Owner's assessment) or proves to exceed funds reasonably needed, then the Board may increase or decrease the assessment payable under Section 6.02(e) by giving written notice thereof (together with a revised budget and explanation for the adjustment) to each Owner not less than ten (10) days prior to the effective date of the revised assessment.

6.05 SPECIAL ASSESSMENT: After the Turnover Date the Board may levy a special assessment as provided in this Section (i) to pay (or build up reserves to pay) expenses other than Common Expenses incurred (or to be incurred) by the Association from time to time for a specific purpose including, without limitation, to make alterations, additions or improvements to the Common Area, or any other property owned or maintained by the Association; or (ii) to cover an unanticipated deficit under the prior year's budget. Any special assessment shall be levied against all of Lots in equal shares. No special assessment shall be adopted without the affirmative vote of Voting Members representing at least two-thirds (2/3) of the votes cast on the question. The Board shall serve notice of a special assessment on all Owners by a statement in writing giving the specific purpose and reasons therefor in reasonable detail, and the special assessment shall be payable in such manner and on such terms as shall be fixed by the Board. Any assessments collected pursuant to this Section (other than those to cover an unanticipated deficit under the prior year's budget) shall be segregated in a special account and used only for the specific purpose set forth in the notice of assessment.

6.06 CAPITAL RESERVE: The Association shall segregate and maintain special reserve accounts to be used solely for making capital expenditures in connection with the Common Area (the "Capital Reserve"). The Board shall determine the appropriate level of the Capital Reserve based on a periodic review of the useful life of improvements to the Common Area, and other property owned by the Association and periodic projections of the cost of anticipated major repairs or replacements to the Common Area, and the purchase of other property to be used by the Association in connection with its duties hereunder. The Capital Reserve may be built up by separate or special assessments or out of the Common Assessment as provided in the budget. Special accounts set up for portions of the Capital Reserve to be used to make capital expenditures with respect to the Common Areas shall be held by the Association as agent and trustee for the Owners of Homes with respect to which the Capital Reserve is held and such accounts shall be deemed to have been funded by capital contributions to the Association by the Owners. The budgets which will be adopted from time to time by the Boards appointed by the Declarant prior to the Turnover Date shall include reserve buildups which the Board deems to be appropriate based on information available to the Board. Boards elected by the Owners after the Turnover Date may use different approaches from those used by Boards appointed by the Declarant for the buildup of reserves or may choose not to provide for the buildup of reserves for certain capital expenditures or deferred maintenance for repairs or replacements of the Common Areas. If the Board chooses not to provide for the buildup of reserves for a particular anticipated expenditure or if the buildup of reserves that the Board does provide for in its budgets does not result in sufficient funds to pay for the expenditure when the expenditure must be made, then (i) neither the Board nor any of its past or

present members shall be liable to the Association or the Owners for failing to provide for sufficient reserves and (ii) the Board shall have the right and power to either levy a separate or special assessment to raise the funds to pay the expenditure or to borrow funds to pay the expenditure and repay the borrowed funds out of future Common Assessments, separate assessments or special assessments.

6.07 INITIAL CAPITAL CONTRIBUTION: Upon the closing of the first sale of a Lot by the Declarant to a purchaser for value, the purchasing Owner shall make a capital contribution to the Association in an amount equal to one-sixth (two months) of the Common Assessment at the rate which shall become effective with respect to the Lot as of the closing. Said amount shall be held and used by the Association for its working capital needs.

6.08 PAYMENT OF ASSESSMENTS: Assessments levied by the Association shall be collected from each Owner by the Association and shall be a lien on the Owner's Lot and also shall be a personal obligation of the Owner in favor of the Association, all as more fully set forth in Article Seven.

ARTICLE SEVEN
Collection of Charges and Remedies for Breach or Violation

7.01 CREATION OF LIEN AND PERSONAL OBLIGATION: The Declarant hereby covenants, and each Owner of a Lot by acceptance of a deed therefor (whether or not it shall be so expressed in any such deed or other conveyance) shall be and is deemed to covenant and hereby agrees to pay to the Association all Charges made with respect to the Owner on the Owner's Lot. Each Charge, together with interest thereon and reasonable costs of collection, if any, as hereinafter provided, shall be a continuing lien upon the Lot against which such Charge is made and also shall be the personal obligation of the Owner of the Lot at the time when the Charge becomes due. The lien or personal obligation created under this Section shall be in favor of and shall be enforceable by the Association.

7.02 COLLECTION OF CHARGES: The Association shall collect from each Owner all Charges payable by such Owner under this Declaration.

7.03 NON-PAYMENT OF CHARGES: Any Charge which is not paid to the Association when due shall be deemed delinquent. Any Charge which is delinquent for thirty (30) days or more shall bear interest at the rate of eighteen percent (18%) per annum or the maximum rate permitted by law, whichever is less, from the due date to the date when paid. The Association may (i) bring an action against the Owner personally obligated to pay the Charge to recover the Charge (together with interest, costs and reasonable attorney's fees for any such action, which shall be added to the amount of the Charge and included in any judgment rendered in such action), and (ii) enforce and foreclose any lien which it has or which may exist for its benefit. In addition, the Board may add a reasonable late fee to any installment of an assessment which is not paid within thirty (30) days of its due date. No Owner may waive or otherwise escape personal liability for the Charges hereunder by nonuse of the Common Area or by abandonment or transfer of his Lot.

7.04 LIEN FOR CHARGES SUBORDINATED TO MORTGAGES: The lien for Charges, provided for in Section 7.01, shall be subordinate to the Mortgagee's mortgage on the Lot which was Recorded prior to the date that any such Charge became due. Except as hereinafter provided, the lien for Charges, provided for in Section 7.01, shall not be affected by any sale or transfer of a Lot. Where title to a Lot is transferred pursuant to a decree of foreclosure of the Mortgagee's mortgage or by deed or assignment in lieu of foreclosure of the Mortgagee's mortgage, such transfer of title shall extinguish the lien for unpaid Charges which became due prior to the date of the transfer of title. However, the transferee of the Lot shall be personally liable for his share of the Charges with respect to which a lien against his Lot has been extinguished pursuant to the preceding sentence where such Charges are reallocated among all the Owners pursuant to a subsequently adopted annual or revised Common Assessment or special assessment, and non-payment thereof shall result in a lien against the transferee's Lot, as provided in this Article.

7.05 SELF-HELP BY BOARD: In the event of a violation or breach by an Owner of the provisions, covenants or restrictions of the Declaration, the By-Laws, or rules or regulations of the Board, where such violation or breach may be cured or abated by affirmative action, then the Board, upon not less than ten (10) days' prior written notice to the Owner, shall have the right to enter upon that part of the Premises where the violation or breach exists to remove or rectify the violation or breach; provided, that, if the violation or breach exists within a Home, judicial proceedings must be instituted before any items of construction can be altered or demolished.

7.06 OTHER REMEDIES OF THE BOARD: In addition to or in conjunction with the remedies set forth above, to enforce any of the provisions contained in this Declaration or any rules and regulations adopted hereunder the Board may levy a fine or the Board may bring an action at law or in equity by the Association against any person or persons violating or attempting to violate any such provision, either to restrain such violation, require performance thereof, to recover sums due or payable or to recover damages or fines, and against the land to enforce any lien created hereunder; and failure by the Association or any Owner to enforce any provision shall in no event be deemed a waiver of the right to do so thereafter.

7.07 COSTS AND EXPENSES: All costs and expenses incurred by the Board in connection with any action, proceedings or self-help in connection with exercise of its rights and remedies under this Article, including, without limitation, court costs, attorneys' fees and all other fees and expenses, and all damages, liquidated or otherwise, together with interest thereon at the rate of eighteen percent (18%) per annum or the maximum rate permitted by law, whichever is less, until paid, shall be charged to and assessed against the defaulting Owner, and the Association shall have a lien for all the same, upon his Lot as provided in Section 7.01.

7.08 ENFORCEMENT BY OWNERS: Enforcement of the provisions contained in this Declaration and the rules and regulations adopted hereunder may be by any proceeding at law or in equity by any aggrieved Owner against any person or persons violating or attempting to violate any such provisions, either to restrain such violation or to recover damages, and against a Lot to enforce any lien created hereunder.

7.09 ENFORCEMENT BY COUNTY:

(a) Enforcement of the provisions contained in this Declaration may be by any proceeding at law or in equity, either to restrain such violation or to recover damages by the County, against any person violating or attempting to violate any covenant or restriction.

(b) In the event that the Association fails to undertake the maintenance, repair and replacement of the Stormwater Management Facilities and open space areas in accordance with the Maintenance Plan, the County shall have the right (but not the duty) to enter upon the affected areas and undertake such required maintenance, repair and/or replacement work following thirty (30) days written notice to the Association; provided, however that in the event that the County finds that any such failure by the Association has created an immediate threat to public health, safety and welfare, the County shall not be required to give notice before undertaking such maintenance, repair and/or replacement work. Any costs incurred by the County in connection with such maintenance, repair, and replacement work (plus any costs of collection, including, without limitation, attorneys' fees) shall be an obligation of the Association. The County may bring an action against the Association to recover any amounts due and not paid within sixty (60) days after the County notifies the Association of amounts due for maintenance, repair or replacement work. In addition to the remedies set forth above, the County may also file a lien against each of the Lots for their pro rata share of the County's costs, which lien shall be subordinate to a Mortgagee's mortgage on each Lot. The County shall have the right to enforce such liens in the same manner as the other liens against real estate and to recover all costs of collection (including attorneys' fees) as part of such lien amount.

(c) The failure of the County to enforce any of the covenants or restrictions hereunder shall in no event be deemed a waiver of the right to do so thereafter.

7.10 BACKUP SSA: The County may establish a Special Service Area to serve as what is commonly referred to as a "Backup Special Service Area", to give the County the power to levy taxes to pay the cost of maintaining the Common Area if the Association fails to do so and the County chooses to furnish such services.

ARTICLE EIGHT
Use Restrictions

8.01 INDUSTRY/SIGNS: No industry, business, trade, occupation or profession of any kind shall be conducted, maintained or permitted on any Lot or any part of the Common Area, nor shall any "For Sale" or "For Rent" signs or any other advertising be maintained or permitted on any Lot or any part of the Common Area, except as permitted by the Board or as permitted under Article Nine; provided, however, that one (1) "For Rent" or "For Sale" sign (of not more than five (5) square feet) may be placed in a window or on the front lawn of a Home, subject to the reasonable rules and regulations of the Board

8.02 UNSIGHTLY USES: No clothes, sheets, blankets, laundry of any kind or other articles shall be hung out on any portion of the Lot or the Common Area. The Premises shall be kept free and clear of all rubbish, debris and other unsightly materials and no waste shall be committed thereon. All rubbish shall be deposited in such areas and such receptacles as shall be designated by the Board. All rubbish, trash, or garbage shall be kept so as not to be seen from neighboring Homes and streets, shall be regularly removed from the Premises, and shall not be allowed to accumulate thereon. Garbage may not be burned on any Lot.

8.03 RESIDENTIAL USE ONLY:

(a) Except as provided in Article Nine or in subsections (b) and (c) of this Section, each Home shall be used only as a residence and no industrial business, trade, occupation or profession of any kind shall be conducted, maintained or permitted on any part of the Premises.

(b) No Resident shall be precluded with respect to his Home, from (i) maintaining a personal professional library, (ii) keeping his personal business records or accounts therein, or (iii) handling his personal business or professional calls or correspondence therefrom.

(c) To the extent permitted under applicable laws and ordinances, a Resident may conduct an in-home business in a Home.

8.04 PARKING: Parking areas and driveways shall be used for parking operable automobiles only and no part of the Premises shall be used for storage, use, or parking of mobile homes, trailers, commercial vehicles, snowmobiles or boats except within the confines of a garage with the garage door closed. No repair or body work of any motorized vehicle shall be permitted except within the confines of a garage. Any violation of this provision shall be deemed a nuisance under Section 8.07. Passenger motor vehicles in non-operative condition shall not be parked, except in garages with the garage doors closed.

8.05 OBSTRUCTIONS: Except as permitted under Section 9.03 there shall be no obstruction of the Common Area, and nothing shall be stored in the Common Area without the prior written consent of the Board.

8.06 PETS: No animal of any kind shall be raised, bred or kept in the Common Area. The Board may from time to time adopt rules and regulations governing the (a) keeping of pets in the Home, which may include prohibiting certain species of pets from being kept in the Home and (b) use of the Common Area by pets, including, without limitation, rules and regulations which set aside certain portions of the Common Area as a "dog run" or which require an Owner to clean up after his pet. Any pet causing or creating a nuisance or unreasonable disturbance shall be permanently removed from the Premises upon three (3) days written notice from the Board to the Owner of the Home containing such pet and the decision of the Board shall be final.

8.07 NO NUISANCE: No nuisance, noxious or offensive activity shall be carried on in the Premises nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the Owners or occupants of any Home.

8.08 HAZARDOUS ACTIONS OR MATERIALS: Nothing shall be done or kept on any Lot or in or on any portion of the Common Area that is unlawful or hazardous, or that might reasonably be expected to increase the cost of casualty or public liability insurance covering the Common Area. No plants, seeds, or other things or conditions harboring or breeding infectious plant diseases or noxious insects shall be introduced or maintained upon any part of the Premises.

8.09 ANTENNAE: Subject to applicable federal, state or local regulations, laws or ordinances, the operation of "ham" or other amateur radio stations or the erection of any communication antenna, receiving dish or similar devices (other than a simple mast antenna or a satellite dish which is not visible from the front of the Home) shall not be allowed on the Premises

8.10 STORAGE: No open storage of any kind shall be permitted on the Premises.

8.11 CONSTRUCTION STANDARDS AND RESTRICTIONS: Without limiting the rights and powers provided for in Section 9.06, the following construction standards shall apply to Lots:

(a) No structure commonly known as an "above ground swimming pool" shall be constructed on any Lot; provided, that, this restriction shall not apply to a structure commonly known as a "hot tub" or "jacuzzi" which is built into a deck and is not visible from the front of the home or from homes located on adjacent Lots, provided, that any such structure is approved, in advance, by the holder, if any, of rights under Section 9:06 or, if there is no such holder, the Board.

(b) No temporary or permanent outbuilding, accessory building or other structure, including, without limitation, a storage shed, greenhouse, non-wood play set, fountain, or trailer shall be constructed, installed or maintained on a Lot; provided, that, a deck, gazebo, wood play set or fence may be constructed on a Lot with the approval, in advance, of the holder, if any, of the rights under Section 9.06 or, if there is not such holder, the Board.

(c) A playset which is permitted to be installed on a Lot (i) shall be of cedar material and of the quality of what is commonly known as the "Rainbow" brand or better quality, and (ii) shall not be installed on any portion of the Lot which is within ten (10) feet of the lot line.

(d) A Lot may, subject to the approval, in advance, of the holder, if any, of the rights under Section 9.06 or, if there is no such holder, the Board, be improved with a fence on that portion of the Lot which is between the rear lot line (but no more than six (6) inches from the rear lot line) and the back of the Home provided that the fence conforms to the following specifications:

(i) Location to conform with applicable standards and restrictions as provided under applicable ordinances of the Municipality;

(ii) Height to be four feet (4'); provided, however, that fencing required by the Municipality to be installed around a swimming pool shall be of the height required under applicable ordinances of the Municipality;

(iii) Style to be decorative aluminum, Delagard Model Doria (residential), or equivalent.

provided, however, that if a garage service door is installed in a Home, then the fence may extend beyond the back of the Home, up to one (1) foot beyond the garage service door, but in no event shall any fence extend beyond the front of the Home.

8.12 COLOR: There shall be no change in any exterior color of any Home which is inconsistent with the general harmony and design of the Homes on the Premises without the prior written approval of the Declarant or the Board, as the case may be.

8.13 RULES AND REGULATIONS: The use, occupancy and enjoyment of the Common Area and Homes shall at all times be subject to reasonable rules and regulations adopted from time to time by the Board.

ARTICLE NINE
Declarant's Reserved Rights and Special Provisions Covering Development Period

9.01 IN GENERAL: In addition to any rights or powers reserved to the Declarant under the provisions of this Declaration or the By-Laws, the Declarant shall have the rights and powers set forth in this Article. Anything in this Declaration or the By-Laws to the contrary notwithstanding, the provisions set forth in this Article shall govern. Except as otherwise provided in this Article, the rights of Declarant under this Article shall terminate at such time as the Declarant no longer holds or controls title to any portion of the Development Area.

9.02 PROMOTION OF PROJECT: The Declarant shall have the right and power, within its sole discretion, to (i) construct such temporary or permanent improvements, or to do such acts or other things in, on, or to the Premises as the Declarant may, from time to time, determine to be necessary or advisable, (ii) construct and maintain model homes, sales or leasing offices, parking areas, advertising signs, lighting and banners, or other promotional facilities at such locations and in such forms as the Declarant may deem advisable and to use such model homes (including model homes which are sold and leased back to the Declarant), sales or leasing offices or other facilities for the purpose of selling or leasing Homes on the Premises or at other properties in the general location of the Premises which are being offered for sale by the Declarant or any of its affiliates, without the payment of any fee or charge whatsoever to the Association. Declarant, its agents, prospective purchasers and tenants, shall have the right of ingress, egress and parking in and through, and the right to use and enjoy the Common Area, at any and all reasonable times without fee or charge.

9.03 CONSTRUCTION ON PREMISES: In connection with the construction of improvements to any part of the Premises, the Declarant, its agents and contractors, shall have the right, at the Declarant's own expense, (but shall not be obligated) to make such alterations, additions or improvements to any part of the Premises including, without limitation, the construction, reconstruction or alteration of any temporary or permanent improvements to any structure which

shall contain Homes or the Common Area which the Declarant deems, in its sole discretion, to be necessary or advisable, and the landscaping, sodding or planting and replanting of any unimproved portions of the Premises. In connection with the rights provided in the preceding sentence, the Declarant, its agents and contractors, shall have the right of ingress, egress and parking on the Premises and the right to store construction equipment and materials on the Premises without the payment of any fee or charge whatsoever.

9.04 GRANT OF EASEMENTS AND DEDICATIONS: Declarant shall have the right to dedicate portions of the Common Area to the County or any municipality or other governmental authority which has jurisdiction over such portions. Declarant shall also have the right to reserve or grant easements over the Common Area to any governmental authority, public utility or private utility for the installation and maintenance of cable TV, electrical and telephone conduit and lines, gas, sewer or water lines, or any other utility services serving any Lot.

9.05 DECLARANT CONTROL OF ASSOCIATION: The first and all subsequent Boards shall consist solely of three (3) persons from time to time designated by the Declarant, which persons may, but need not, be members under Section 5.02. Declarant's rights under this Section to designate the members of the Board shall terminate on the first to occur of (i) such time as Declarant no longer holds or controls title to any part of the Development Area, (ii) the giving of written notice by Declarant to the Association of Declarant's election to terminate such rights, or (iii) seven (7) years from the date of Recording hereof. The date on which the Declarant's rights under this Section shall terminate shall be referred to as the "Turnover Date". From and after the Turnover Date, the Board shall be constituted and elected as provided in the By-Laws. Prior to the Turnover Date all of the voting rights at each meeting of the Owners shall be vested exclusively in the Declarant and the Owners shall have no voting rights.

9.06 ARCHITECTURAL CONTROL:

(a) The Declarant shall have the right and power from time to time to adopt reasonable rules and regulations governing the design and exterior finish of all improvements or landscaping from time to time constructed, installed or proposed to be constructed, installed or modified on the Premises. Without limiting the foregoing, no earthmoving, filling, dredging, grading, excavating, installation of landscaping, alteration of landscaping, construction of a building, driveway, walkway, signs or other advertising or promotional devices or any other temporary or permanent improvement to any portion of the Premises or any modification, alteration, renovation, addition or removal of any of the foregoing (including, without limitation, (i) the installation of a fence, (ii) change in the exterior color of a Home, (iii) construction of awnings, antenna or satellite dish, (iv) change or addition to patio or deck, (v) installation of an in-ground swimming pool, outbuilding, play set, gazebo or shed, or (vi) other similar improvements) ("Regulated Work") shall be commenced or maintained with respect to any portion of the Premises without the prior written consent of the Declarant which may be granted or withheld in Declarant's sole and absolute discretion. The Declarant reserves the right and power to promulgate and amend from time to time standards, policies, procedures and guidelines in order to implement the foregoing. If any Regulated Work which requires Declarant approval as provided above is commenced without obtaining the required written consent of the Declarant, then the Declarant may seek any remedy or take any action provided for herein or permitted at law or in equity in order to enforce the

provisions hereof, including injunctive relief to stop work and/or restore the portion of the Premises to its condition prior to the commencement of the work. Declarant's decision to approve or disapprove an addition, alteration or improvement in one instance shall not in any way create or establish a precedent for how the Declarant must respond to a request for another alteration, addition or improvement subsequently made, it being understood that circumstances, situations and standards may change and the Declarant reserves the right and power to grant or deny requests as Declarant believes are appropriate in Declarant's sole and absolute discretion.

(b) The Declarant shall have the right and power from time to time to adopt rules and regulations governing the maintenance and upkeep of portions of the Premises, including without limitation, improvements thereto, signs, advertising and landscaping thereon. Without limiting the foregoing, those portions of the Premises on which construction of improvements has not yet commenced shall at all times be maintained in a neat and clean condition and all weeds shall be periodically cut. If in the sole judgment of the Declarant a portion of the Premises is not being maintained in good condition and repair or the appearance of any such portion of the Premises is not of the character and quality of that of other portions of the Premises or is not in compliance with rules and regulations adopted from time to time by the Declarant, then without limiting any rights or remedies available to the Declarant hereunder, at law or in equity, Declarant shall have the right to enter upon any such portion of the Premises and perform any maintenance or repair work which it deems necessary or appropriate. The cost of any such work shall be charged to the Owner or party responsible for maintenance of such portion of the Premises if different from the Owner, and shall be payable to the Declarant upon demand. In the event that the party charged for such work fails to make prompt payment of any such amount within thirty (30) days after demand, such amount shall become and continue to be a lien upon the portion of the Premises owned by such party until such time as payment is made in full; provided, that any such lien shall be subordinate to the lien of any Mortgagee on a Lot Recorded prior to the date on which any such amount becomes a lien against a Lot as provided above.

(c) Any one or more of the rights and powers of the Declarant under this Section may be delegated to one or more individuals or entities designated from time to time by the Declarant.

(d) Subject as hereinafter provided, from time to time, the Declarant may enter into an agreement ("Transfer Agreement") with the Association whereby the Declarant assigns and transfers to the Association some or all of its rights and powers under Subsections (a) and (b). Any Transfer Agreement shall be executed by both the Declarant and the Association and shall be recorded; provided, that the execution of the Transfer Agreement by the Association shall be approved in advance by action of the Voting Members at an annual meeting or special meeting of the Voting Members. A Transfer Agreement may include such terms as are agreed upon between the Declarant and the Association. From and after the recording of a Transfer Agreement, the rights and powers of the Declarant under Subsections (a) and (b) which are transferred to the Association pursuant to the Transfer Agreement, shall be administered as provided in the Transfer Agreement. Any rights and powers of the Declarant under Subsections (a) and (b) which are not transferred to the Association pursuant to a Transfer Agreement shall expire and terminate at such time as the Declarant no longer holds or controls title to any portion of the Development Area.

9.07 OTHER RIGHTS: The Declarant shall have the right and power to execute all documents and do all other acts and things affecting the Premises which, in Declarant's opinion, are necessary or desirable in connection with the rights of Declarant under this Declaration.

9.08 ASSIGNMENT BY DECLARANT: All rights which are specified in this Declaration to be rights of the Declarant are mortgageable, pledgeable, assignable or transferable. Any successor to, or assignee of, the rights of the Declarant hereunder (whether as the result of voluntary assignment, foreclosure, assignment in lieu of foreclosure, or otherwise) shall hold or be entitled to exercise the rights of Declarant hereunder as fully as if named as such party herein. No such successor assignee of the rights of Declarant hereunder shall have or incur any liability for the acts of any other party which previously exercised or subsequently shall exercise such rights.

ARTICLE TEN
Amendment

10.01 SPECIAL AMENDMENTS: Anything herein to the contrary notwithstanding, Declarant reserves the right and power to Record a special amendment ("Special Amendment") to this Declaration at any time and from time to time which amends this Declaration (i) to comply with requirements of Fannie Mae, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Veteran's Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies or entities to make, purchase, sell, insure, guarantee or otherwise deal with first mortgages covering Lots, (iii) to correct errors, ambiguities, omission or inconsistencies in the Declaration or any Exhibit, (iv) to amend Exhibit A to include additional real estate or (v) to bring the Declaration into compliance with applicable laws, ordinances or governmental regulations. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Declarant to make or consent to a Special Amendment on behalf of each Owner. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Lot and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power to the Declarant to make, execute and Record Special Amendments. The right and power of the Declarant to record a Special Amendment hereunder shall terminate five (5) years after such time as Declarant no longer holds or controls title to a portion of the Development Area.

10.02 AMENDMENT: Subject to Section 10.01 and Article Eleven, the provisions of this Declaration may be amended, abolished, modified, enlarged, or otherwise changed in whole or in part by the affirmative vote of Voting Members representing at least Seventy-Five percent of the total votes or by an instrument executed by Owners of at least Seventy-Five Percent (75%) of the Lots; except, that (i) the provisions of this Section 10.02 may be amended only by an instrument executed by all of the Owners and all Mortgagees, (ii) Article Nine or any other provisions relating to the rights of Declarant may be amended only with the written consent of the Declarant, (iii) the provisions of this Declaration which affect the rights of the County may be amended only with the prior written consent of the County, as applicable, and (iv) no amendment to the Declaration which changes the ratio of assessments against Owners shall become effective without the consent of all Mortgagees. No amendment which removes Premises from the provisions of this Declaration shall

be effective if as a result of such removal, an Owner of a Lot shall no longer have the legal access to a public way from his Lot. No amendment shall become effective until properly Recorded.

ARTICLE ELEVEN
Mortgagees Rights

11.01 NOTICE TO MORTGAGEES: Upon the specific, written request of Mortgagee or the insurer or guarantor of a Mortgagee's mortgage, such party shall receive some or all of the following:

(a) Copies of budgets, notices of assessment, or any other notices or statements provided under this Declaration by the Association to the Owner of the Lot covered by the Mortgagee's mortgage;

(b) Any audited or unaudited financial statements of the Association which are prepared for the Association and distributed to the Owners; provided, that, if an audited statement is not available, then upon the written request of the holder, insurer or guarantor of a Mortgage, the Association shall permit such party to have an audited statement for the preceding fiscal year of the Association prepared at such party's expense;

(c) Copies of notices of meetings of the Owners;

(d) Notice of the commencement of any condemnation or eminent domain proceedings with respect to any part of the Common Area.

(e) Notice of any default by the Owner of the Lot which is subject to the Mortgagee's mortgage under this Declaration, the By-Laws or the rules and regulations of the Association which is not cured within 30 days of the date of the default;

(f) The right to examine the books and records of the Association at any reasonable times; and

(g) A lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

The request of any such party shall specify which of the above it desires to receive and shall indicate the address to which any notices or documents shall be sent by the Association.

11.02 INSURANCE PROCEEDS/CONDEMNATION AWARDS: In the event of (i) any distribution of any insurance proceeds hereunder as a result of damage to, or destruction of, any part of the Common Area or (ii) any distribution of the proceeds of any award or settlement as a result of condemnation or eminent domain proceedings with respect to any part of the Common Area, any such distribution shall be made to the Owners and their respective Mortgagees, as their interests may appear, and no Owner or other party shall be entitled to priority over the Mortgagee of a Lot with respect to any such distribution to or with respect to such Lot; provided, that, nothing in this Section shall be construed to deny to the Association the right (i) to apply insurance proceeds to

repair or replace damaged Common Area or (ii) to apply proceeds of any award or settlement as a result of eminent domain proceedings as provided in Article Four.

ARTICLE TWELVE
Annexing Additional Property

12.01 IN GENERAL: Declarant reserves the right at any time and from time to time prior to ten (10) years from the date of Recording of this Declaration to annex, add and subject additional portions of the Development Area to the provisions of this Declaration as additional Premises by recording a supplement to this Declaration (a "Supplemental Declaration"), as hereinafter provided. Any portion of the Development Area which is subjected to this Declaration by a Supplemental Declaration shall be referred to as "Added Premises"; any portion of any Added Premises which is made part of the Common Area shall be referred to as "Added Common Area"; and any Lots contained in the Added Premises shall be referred to as "Added Lots". After the expiration of said ten (10) year period, Declarant may exercise the rights described herein to annex, add and subject additional portions of the Development Area to the provisions of this Declaration, provided that the consent the Owners (by number) of two-thirds (2/3) of all Lots then subject to this Declaration is first obtained.

12.02 POWER TO AMEND: Declarant hereby retains the right and power to Record a Supplemental Declaration, at any time and from time to time as provided in Section 12.01, which amends or supplements Exhibit B. Exhibit B may only be amended or supplemented pursuant to this Article to add portions of the Development Area to Exhibit B and shall not be amended to reduce or remove any real estate which is described in Exhibit B immediately prior to the Recording of such Supplemental Declaration. A Supplemental Declaration may contain such additional provisions affecting the use of the Added Premises or the rights and obligations of owners of any part or parts of the Added Premises as the Declarant deems necessary or appropriate.

12.03 EFFECT OF SUPPLEMENTAL DECLARATION: Upon the Recording of a Supplemental Declaration by Declarant which annexes and subjects Added Premises, Added Common Area, or Added Lots to this Declaration, as provided in this Article, then:

(a) The easements, restrictions, conditions, covenants, reservations, liens, charges, rights, benefits and privileges set forth and described herein shall run with and bind the Added Premises and inure to the benefit of and be binding on any Person having at any time any interest or estate in the Added Premises in the same manner, to the same extent and with the same force and effect that this Declaration applies to the Premises, and Persons having an interest or estate in the Premises, subjected to this Declaration prior to the date of the Recording of the Supplemental Declaration;

(b) Every Owner of an Added Lot shall be a member of the Association on the same terms and subject to the same qualifications and limitations as those members who are Owners of Lot immediately prior to the Recording of such Supplemental Declaration;

(c) In all other respects, all of the provisions of this Declaration shall include and apply to the Added Premises (including the Added Common Area or the Added Lots, if any)

made subject to this Declaration by any such Supplemental Declaration and the Owners, mortgagees, and lessees thereof, with equal meaning and of like force and effect and the same as if such Added Premises were subjected to this Declaration at the time of the Recording hereof;

(d) The Recording of each Supplemental Declaration shall not alter the amount of the lien for any Charges made to a Lot or its Owner prior to such Recording;

(e) The Declarant shall have and enjoy with respect to the Added Premises all rights, powers and easements reserved by the Declarant in this Declaration, plus any additional rights, powers and easements set forth in the Supplemental Declaration; and

(f) Each Owner of an Added Lot which is subject to assessment hereunder shall be responsible for the payment of the Common Assessment pursuant to Section 6.02, but shall not be responsible for the payment of any special assessment which was levied prior to the time that the Added Lot became subject to assessment hereunder.

ARTICLE THIRTEEN
Miscellaneous

13.01 NOTICES Any notice required to be sent to any Owner under the provisions of this Declaration or the By-Laws shall be deemed to have been properly sent if (i) mailed, postage prepared, to his or its last known address as it appears on the records of the Association at the time of such mailing, (ii) transmitted by facsimile or e-mail to his or its facsimile number or e-mail address as either appears on the records of the Association at the time of such transmittal, or (iii) when personally delivered to his or its Lot. The date of mailing, or the date of transmission if the notice is sent by facsimile or e-mail, shall be deemed the date of service.

13.02 CAPTIONS: The Article and Section headings are intended for convenience only and shall not be construed with any substantive effect in this Declaration. In the event of any conflict between statements made in recitals to this Declaration and the provisions contained in the body of this Declaration, the provisions in the body of this Declaration shall govern.

13.03 SEVERABILITY: Invalidation of all or any portion of any of the easements, restrictions, covenants, conditions, or reservations, by legislation, judgment or court order shall in no way affect any other provisions of this Declaration which shall, and all other provisions, remain in full force and effect.

13.04 PERPETUITIES AND OTHER INVALIDITY: If any of the options, privileges, covenants or rights created by this Declaration would otherwise be unlawful or void for violation of (a) the rule against perpetuities or some analogous statutory provision, (b) the rule restricting restraints on alienation, or (c) any other statutory or common law rules imposing time limits, then such provisions shall continue only until twenty-one (21) years after the death of the survivor of the now living lawful descendants of George Bush, former President of the United States at the time this Declaration is Recorded.

13.05 TITLE HOLDING LAND TRUST: In the event title to any Lot is conveyed to a title holding trust, under the terms of which all powers of management, operation and control of the Lot remain vested in the trust beneficiary or beneficiaries, then the beneficiaries thereunder from time to time shall be responsible for payment of all Charges and for the performance of all agreements, covenants and undertakings chargeable or created under this Declaration against such Lot. No claim shall be made against any such title holding trustee personally for payment of any lien or obligation hereunder created and the trustee shall not be obligated to sequester funds or trust property to apply in whole or in part against such lien or obligation. The amount of such lien or obligation shall continue to be a charge or lien upon the Lot and the beneficiaries of such trust notwithstanding any transfers of the beneficial interest of any such trust or any transfers of title to such Lot.

13.06 WAIVER OF IMPLIED WARRANTY OF HABITABILITY AND OTHER WARRANTIES: Illinois courts have held that every contract for the construction of a new home in Illinois carries with it a warranty that when completed, the home will be free of defects and will be fit for its intended use as a home. The courts have also held that this "Implied Warranty of Habitability" does not have to be in writing to be a part of the contract and that it covers not only structural and mechanical defects such as may be found in the foundation, roof, masonry, heating, electrical and plumbing, but it also covers any defect in workmanship which may not easily be seen by the buyer. However, the courts have also held that a seller-builder and buyer may agree in writing that the Implied Warranty of Habitability is not included as a part of their particular contract. Each buyer of a Home from Declarant agreed in the purchase contract that the Declarant has excluded and disclaimed the Implied Warranty of Habitability and all other implied warranties, whether created judicially, statutorily or by common law, including the implied warranty of fitness for a particular purpose. Such exclusion and disclaimer shall apply to and bind any subsequent Owner of a Home and, accordingly, no Owner of a Home shall be able to assert a claim against Declarant for a breach of the Implied Warranty of Habitability or any other implied warranty.

Dated: January 9, 2007

DECLARANT:

KILDEER TWO LLC, an Illinois limited liability company

By: _____
Patrick A. Taylor, Manager

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County and State, do hereby certify that Patrick A. Taylor, the Manager of Kildeer Two LLC, an Illinois limited liability company (the "Company"), and, as such, appeared before me this day in person and acknowledged that he signed, sealed and delivered this instrument as his free and voluntary act, and as the free and voluntary act of the Company for the uses and purposes set forth in the instrument.

GIVEN under my hand and Notarial Seal this 9th day of January, 2007.

Kathleen A. Faunt
Notary Public

OFFICIAL SEAL
KATHLEEN A FAUNT
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:03/03/09

EXHIBIT A TO
DECLARATION FOR CYPRESS GROVE

The Development Area

THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 15, TOWNSHIP 43 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, EXCEPTING THEREFROM THAT PART THEREOF FALLING IN BEACON HILL SUBDIVISION UNIT 1 RECORDED APRIL 30, 1991 AS DOCUMENT NUMBER 3013443, IN LAKE COUNTY, ILLINOIS.

AND FURTHER EXCEPTING THEREFROM THE FOLLOWING DESCRIBED AREA: THAT PART OF THE SOUTH HALF OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 15, TOWNSHIP 43 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN LAKE COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SOUTHWEST QUARTER OF SECTION 15, THENCE NORTH 89 DEGREES 34 MINUTES 12 SECONDS WEST, 15.00 FEET ALONG THE SOUTH LINE OF SAID SOUTHWEST QUARTER TO THE SOUTHWEST CORNER OF BEACON HILL SUBDIVISION UNIT 1 RECORDED APRIL 30, 1991 AS DOCUMENT NO. 3013443, SAID POINT BEING THE POINT OF BEGINNING; THENCE CONTINUING NORTH 89 DEGREES 34 MINUTES 12 SECONDS WEST, 1296.60 FEET ALONG SAID SOUTH LINE TO THE SOUTHWEST CORNER OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 15; THENCE NORTH 00 DEGREES 16 MINUTES 55 SECONDS WEST, 1008.08 FEET ALONG THE WEST LINE OF SAID EAST HALF; THENCE NORTH 89 DEGREES 43 MINUTES 05 SECONDS EAST, 40.00 FEET TO THE EAST RIGHT-OF-WAY LINE OF QUENTIN ROAD RECORDED MAY 2, 1951 AS DOCUMENT 726251; THENCE SOUTH 09 DEGREES 07 MINUTES 40 SECONDS EAST, 166.02 FEET; THENCE SOUTH 00 DEGREES 16 MINUTES 55 SECONDS EAST, 722.32 FEET; THENCE SOUTH 45 DEGREES 02 MINUTES 06 SECONDS EAST, 9.32 FEET; THENCE SOUTH 89 DEGREES 48 MINUTES 37 SECONDS EAST, 779.13 FEET; THENCE SOUTH 80 DEGREES 43 MINUTES 28 SECONDS EAST, 166.25 FEET; THENCE SOUTH 89 DEGREES 48 MINUTES 37 SECONDS EAST, 285.05 FEET; TO A POINT ON AFORESAID WESTERLY LINE OF BEACON HILL SUBDIVISION UNIT 1; THENCE SOUTH 04 DEGREES 30 MINUTES 43 SECONDS WEST, 43.55 FEET ALONG SAID WESTERLY LINE; THENCE SOUTH 00 DEGREES 15 MINUTES 16 SECONDS EAST, 51.46 FEET ALONG SAID WESTERLY LINE TO THE POINT OF BEGINNING, ALL OF THE ABOVE LYING IN LAKE COUNTY, ILLINOIS.

Property Address: Route 22, east of Quentin Road, Lake County IL.

P.I.N.: 14-15-300-002
14-15-300-007

{30084: 186: 00077377.DOC :4 }

EXHIBIT B TO
DECLARATION FOR CYPRESS GROVE

The Premises

I. Lots.

Each of the following described lots shall be a "Lot" hereunder:

Lots 1-110, both inclusive, in Cypress Grove, a Conventional Single Family Detached House Subdivision of part of the east half of the southwest quarter of Section 15, Township 43 North, Range 10 east of the Third Principal Meridian, in Lake County, Illinois, pursuant to the Plat thereof recorded January 9, 2007 as Document No. 6117957 ("Cypress Grove Subdivision").

II. Common Area:

Outlot A and Outlot B in Cypress Grove Subdivision.

III. Subdivision Recreation Land:

Thos areas of Outlot A and Outlot B in Cypress Grove Subdivision designated on the Plat as "Recreational Open Space".

IV. Fence Restricted Lots:

None.

EXHIBIT C TO
DECLARATION FOR CYPRESS GROVE

Maintenance Plan

I. IN GENERAL

The Association shall own, maintain and manage the Stormwater Management Facilities, open space and landscaping which are located on Outlots A and B in Cypress Grove Subdivision which are made part of the Common Area. The required maintenance will be the responsibility of the Association.

BUDGET

The Association shall provide funds for maintenance of the Common Area in accordance with the Declaration for Cypress Grove and this Maintenance Plan.

RECORD KEEPING

The person or persons responsible for the maintenance of the Common Area shall keep a record of the maintenance of the Common Area to include types, dates and cost of maintenance. This record shall be kept in a location available for inspection by all members of the Association and the County.

II. STORMWATER MANAGEMENT FACILITIES

A. On-going Weekly Inspection and Maintenance (growing season March to December)

1. Trim and cut grass along edges of ponds where turf is planted (other than wetland basins, which maintenance shall follow the Management Plan). No trimming or cutting of other plant materials shall take place, unless such plant materials interfere with the designed overflow of water.

2. Inspect pond for floating debris or debris blocking inlets or outlets and removal of such debris. Inspections shall be done on a regular basis when maintenance is done and after rain events.

3. Remove all trash accumulated on Outlots A and B in Cypress Grove Subdivision.

B. Yearly Inspection and Maintenance - Checklist

1. Swales/ditches – should be cleaned of debris yearly or as required.

2. Inspect and maintain restrictors at retention facility as needed (minimum of 2 times per year.)

3. Remove debris from any and all culverts as necessary

Berms

_____ Settlement
_____ Any breaks
_____ Erosion

Vegetation

_____ Need for cutting
_____ Need for reseeding

Shorelines

_____ Erosion and rip-rap failure
_____ Undermining
_____ Damage or deterioration
_____ Rodent or wildlife damage

Principal and emergency outlots

_____ Obstructions blocking outlot pipe
_____ Conditions of outlots and inlets structure
  _____ Signs of seepage
  _____ Separation of joints
  _____ Cracks, breaks or deterioration of concrete
  _____ Differential settlement
_____ Sediment level in relation to crest inlet structure
_____ Scour and erosion outlets
_____ Condition of trash racks
_____ Damage by debris, ice or freezing
_____ Outlet channel conditions downstream

Inlets

_____ Is trash on or inside grille
_____ Any ice damage to outlet of pipe
_____ Undermining of any of the pipe

Safety Features

_____ Fences
_____ Signs

C. 5-Year Inspection and Maintenance

Every five years an inspection by a registered Civil Engineer in the State of Illinois should be done to determine the amount of accumulated volume loss of the pond. If, at the determination of the engineer, the volume loss reaches 15%, then dredging may be required.

The engineer will also do an inspection of all the checklist items listed above for the annual inspection and make recommendations for maintenance.

III. OPEN SPACE

A. Natural Resource Protection Areas

Maintenance of Natural Resource Protection areas shall consist of the removal of litter, junk and debris. Maintenance shall also include the removal of dead or diseased vegetation and such species as Lonicera tatarica (Honeysuckle), Rhamnus cathartica (Common Buckthorn), Phalaris arundinacea (Reed Canary Grass), Lythrum salicaria (Purple Loosetrife), Alliaria officinalis (Garlic Mustard), Rhamnus Frangula (Smooth Buckthorn), Robina pseudoacacia (Black Locust) or other invasive species that the Planning, Building and Development Director has determined are or may be detrimental to the health of the resource being protected. Natural watercourses shall be maintained free-flowing and devoid of debris. Streams and nonlinear waterbodies shall be maintained so as not to alter floodplain levels.

B. Restoration Areas

Maintenance of Restoration areas shall consist of the removal of litter, junk and debris. Maintenance may also include the removal of dead or diseased vegetation, those species identified in the preceding paragraph or other invasive species that the Planning, Building and Development Director has determined are or may be detrimental to the health of the resource being protected. Natural watercourses shall be maintained free-flowing and devoid of debris. Stream channels and linear water bodies shall be maintained so as not to alter floodplain levels.

C. Recreational Areas

Recreational areas shall be maintained to ensure that they remain in usable condition and that no hazards, nuisances or unhealthy conditions exit.

D. Greenway Areas

Greenway areas shall be maintained to ensure that they remain aesthetically and functionally usable, as originally designed, and that no hazards, nuisances or unhealthy conditions exist.

E. Landscape Areas

Landscape areas shall be maintained to ensure that they remain functionally usable, as originally designed, and that no hazards, nuisances or unhealthy conditions exist. This shall include the removal of litter, junk and debris and the replacement of dead or diseased vegetation.

F. Agricultural Areas

Agricultural areas shall be maintained as necessary to ensure the productivity of the land for the designated agricultural use.

G. Stormwater Detention Areas

Stormwater Detention/Retention Areas shall be maintained to comply with the Site Development Regulations of Article 8 of the UDO

H. Sewage Disposal Areas

Sewage Disposal Areas shall be maintained in accordance with all applicable county, state and federal standards, including those of the Health Department. Financial assurances or maintenance bonds may be required to ensure ongoing maintenance.

EXHIBIT D TO
DECLARATION FOR CYPRESS GROVE

Management Plan

[See attached]

Plan for Management of Wetland Basins

for

Residential Land Fund 1, Parcel 7

Lake County , Illinois

Henderson and Bodwell, L.L.P.
Consulting Engineers
Elmhurst, IL

Max Gricevich

Lake County Certified Wetland Specialist C-071
Tetra Tech, Inc. ,
Collinsville, IL

September, 2005

Plan for Management of Wetland Basins

Two wetland detention basins are planned. Each is approximately one-half acre in extent and the hydrology of each is based on a flared-end section set to provide a depth of 6 inches over the basin bottom.

Design Objectives. In addition to providing for stormwater retention, the project wetland basins are designed to: (1) minimize maintenance requirements; (2) "mesh" with the surrounding development, and; (3) exhibit wetland functions.

1. Soils. The soil specified for the basins is a minimum 12" layer of uncompacted coarse-textured mineral topsoil, high in organic matter. It should be installed as a relatively smooth surface free of large stones and debris.

2. Plantings. Three groups of plants are specified. The first two groups are native wetland plants. The third is a "nurse crop" of annual grasses planned to provide cover rapidly and to assist in maintaining conditions suitable for growth of the wetland plants.
The first group is intended to become established quickly as the primary cover in the lower shoreline zone, the "heart" of the basin. The second group is intended to provide cover in a band around the shoreline of the basin. Plants in this group were selected with tolerance of fluctuating hydrologic conditions a major consideration. These groups are listed in tables 1 through 3.

Application of fertilizer is to be avoided.

Table 1. Wetland plants to be installed as live plants.

Scientific name	Common name	# plugs, total, in basin
Acorus calamus	Sweet flag	1200
Carex stricta	Tussock sedge	1500
Cyperus esculentus	Field nut sedge	1500
Iris virginica	Blue-flag iris	900
Scirpus acutus	Hard-stemmed bulrush	900
Scirpus fluviatilis	River bulrush	1500
Sparganium eurycarpum	Common burreed	1500

Table 2. Wetland plants to be installed as broadcast seed around the outer 15' perimeter of the basins.

Scientific name	Common name	Pounds of seed/acre
Alisma subcordatum	**Common water plantain**	**0.3**
Aster lanceolatus	**Panicled aster**	**0.06**
Bidens frondosa	**Beggarsticks**	**0.1**
Juncus torreyi	**Torrey's rush**	**0.1**
Spartina pectinata	**Prairie cordgrass**	**0.5**
Eleocharis obtusa	**Blunt spike rush**	**0.1**

Table 3. Mix of annual grasses to be installed as nurse crop, to be broadcast over the entire basin at a rate of 10 pounds per acre.

Agrostis alba	Redtop	60%
Avena sativa	*Seed oats*	20%
Lolium multiflorum	Annual Rye grass	20%

Time(s) of planting—Seedlings should be planted between the time of the last frost and mid-June. Seed should be planted either between March 1 and June 1 OR after November 15.

3. Protection against depredation. Until the plants are well-established, they should be protected against depredation by wildlife. Protection shall be:

Plastic, nylon, or hardware cloth maximum 2"-square mesh covering sides and top of entire growing area and fastened or buried to prevent animal entry under the fence. Modular acceptable. Minimum 1' high. Maintain in place until plants are established; minimum 6 months.

4. Construction Phase procedures and monitoring. On-site construction phase monitoring will be performed to ensure that the plan is implemented as designed and that potential problems that may arise are addressed. This monitoring will be recorded in writing in formal quarterly reports.

a. Adherence to design specifications.
Monitoring will include written records attesting that the specified materials are used, that grades and plantings are as planned, and that water level control structures are constructed as specified and are in working order.

b. Erosion control.
Monitoring will be performed to ensure that all erosion controls are properly installed. Erosion-prone areas will be inspected to identify problems as they develop.

5. Continuing Maintenance and Monitoring. The design of the subject basins focuses on two primary goals----to function as stormwater detention basins for the development and to result in wetland communities which meet or exceed standards for floristic composition and cover. Once the basins have been installed, the key to attainment of these goals will be maintenance. This monitoring plan will ensure maintenance and record the success of the wetland development.

a. Monitoring for invasive species.
Aggressive, invasive, non-native species are a threat to the establishment of native plant communities. This threat is exacerbated by the relatively small size of the planned wetlands. The wetlands and the berms and shorelines around them should be monitored for the presence of these species during midsummer on an annual basis for the first five years and their growth controlled by selective herbicide application carried out by a licensed applicator. Some of the primary species of concern in the project area are shown in Table 4. If it is noted during monitoring that other species are "out-competing" wetland plants, they should be controlled as well.

Table 4. Non-Native Species of Particular Concern

Scientific name	Common name
Phalaris arundinacea	**Reed canary grass**
Phragmites australis	**Common reed**
Rhamnus cathartica	**Buckthorn**
Lythrum salicaria	**Purple loosestrife**
Lonicera japonica	**Japanese honeysuckle**
Dipsacus sylvestris	**Teasel**
Cirsium arvense	**Canada Thistle**

b. Monitoring of hydrology.
For the first year of operation, the flow control devices should be inspected quarterly and after any unusual flow event, such as high flows or ice break-up. Erosion, damage, and blockage should be corrected. For the first 6 months following planting, establishment of the wetland plants should be monitored monthly and irrigation should be carried out if needed.

c. Vegetation monitoring.
Both quantitative and qualitative methods will be used to monitor vegetation on a quarterly basis for five (5) years. Reports from all surveys will be submitted to the Lake County Stormwater Mangement Commission for review and filing. The use of a quantitative approach will provide for non-biased defensible data for measurement of the predominance of hydrophytic vegetation. Qualitative analysis will provide an overview of the development of the ecosystems and provide more comprehensive listings of floristic composition. For each monitoring year, qualitative monitoring will be carried out for the first three quarters and quantitative monitoring for the fourth quarter.

(1) Qualitative monitoring will include species inventory based on a timed meander approach developed by Goff *et al* (1982) and photographic monitoring.

Species inventories will be carried out in all four quarters of each monitoring year. The Goff methodology will provide data that will be used to evaluate floristic composition and the species survivorship goal of 50% hydric species. Since the wetland areas are relatively small, they will be treated as single transect units for the inventories. To implement the inventories, a biologist will enter the site, record the time of entry, and proceed to "meander" through the site, recording species on data forms as they are encountered. Specimens of species that the biologist cannot immediately identify will be collected for later identification. Periodically, the elapsed time will be recorded on the data form and species encountered will be divided into sets based on the time intervals. Once data has been collected, a species/effort curve will be produced by plotting the elapsed time vs the cumulative number of species recorded. A detailed discussion of this methodology is contained in Goff, F.G., Dawson, G.A., and Rochow, J.J. 1982. "Site Examination for Threatened and Endangered Plant Species", Environmental Management 6 (4):307-316. During the meandering surveys, the presence of any invasive species will also be noted.

Photodocumentation. Four stations, to remain the same throughout the 5-year monitoring period, will be established at each site. Photographs will be taken at each station during each quarter in a panoramic series to record site conditions during the surveys.

(2) Quantitative monitoring. Three monitoring stations, which will remain the same throughout the 5-year monitoring period, will be established at each basin. During the late spring monitoring of the basins each year, these stations will be subjected to quantitative monitoring. At randomly-selected sites within 25' of these stations, plot transects or "quadrats" will be established, using portable frames one (1) meter square. Numbers of stems of each species present within each quadrat will be recorded and included in the quarterly report.

In the final monitoring report at the end of the 5-year monitoring period, a Floristic Quality Assessment (FQA) will be used in conjunction with the timed meander search to assess the native quality of the plant communities. A Floristic Quality Index (FQI) will be calculated for the site. References, listed below, for development of this index are the Natural Areas Rating system developed by Swink and Wilhelm (1979) and the modifications and updates to this system described in Wilhelm *et al* (1993) and Taft *et al (1997).*

References

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